Tom Beach
DSI-City of St. Paul
375 Jackson Street, Suite 220
Saint Paul, MN 55101-1806
RE: River Corridor Standards Review

Mr. Beach,

Marathon Petroleum Company, LLC. is looking to construct a (170) railcar storage yard adjacent to Canadian Pacific Railway's existing Pig's Eye yard. The following is additional information requested by the City of St. Paul regarding the project and the impact to the Mississippi River corridor per our meeting in late December of 2008.

Project Description:

Marathon Petroleum Company, LLC (Marathon) is proposing to construct a new, fenced rail yard immediately adjacent to the existing Canadian Pacific Railway (CPR) St. Paul Rail Yard in the City of St. Paul. The proposed rail yard will be used to store up to a maximum 170 empty, semi-empty or full railcars which will have product storage capability of approximately 8.4 million gallons of LPG, asphalt, roofing flux, ethanol, sulfur and petroleum related products. The proposed rail yard will be located on CPR property, and Marathon will lease the property from CPR. The total area of disturbance is approximately 18 acres of open land located about 6 miles north of Marathon's refinery in St. Paul Park, Minnesota. The proposed rail yard will be constructed over a portion of the former City of St. Paul Pig's Eye dump. This will require excavation and management of waste material at times during the project construction.

The proposed rail yard will include access roads, modified site entrances, and the addition of rail varying from one to eight tracks in width. The rail yard will have two single north and south ladder track connections to the adjacent CPR rail yard. About 15,000 lineal feet of track and 16 turnouts will be required to build the rail yard. Previously, City of St. Paul imported approximately 70,000 cubic yards of clean fill to raise the elevation of the site to an elevation of approximately 701 feet. There will be two stormwater swales constructed to control stormwater at the rail yard. One swale will be located on the north side of the tracks and one on the south side of the tracks. Both swales will run the length of the tracks. A 16 to 25 foot wide gravel road will be

developed along the south edge of the rail yard for internal access. A firewater system will be installed that will consist of buried water pipelines and above ground fire monitors. This will require about 2,950 feet of linear trenching eight feet in width. The bottom of the water pipeline will be at an elevation of approximately 694 feet.

Grading and excavating will be required to prepare the site for track installation, stormwater swale construction, road construction, firewater line installation, etc. An eight inch layer of ballast (rock that supports railroad ties under tracks) will be placed over the prepared subgrade. A portion of clean excavated material will be reused as fill on-site. Approximately 20,800 cubic yards of clean soil material will be exported to an off-site location to balance the earthwork within the floodplain and not affect the area's natural water levels.

A fence at least 6 feet tall will be installed around the entire rail yard, including the two drainage swales. Gates will be installed to allow railcar movement and track maintenance activities in the yard. The fence and gates will prevent any unauthorized entry and future excavating activities from occurring in the rail yard without prior approval. Bi-lingual (English and Spanish) signs will be installed at various locations on the fence/gates to communicate that excavating activities are not allowed without prior approval.

In addition, a small portion of the existing Pig's Eye Lake road and CPR access road will need to be raised in order to install the CPR access road. This issue has been discussed with the City of St. Paul Public Works in initial site plan review meetings.

Alternative Storage Location Considerations:

Marathon conducted a feasibility study with the aim of locating candidate sites for a new rail yard for storing the various rail cars described above. A primary requirement was that the selected site be located on an active railroad line with access to Marathon's refinery in St. Paul Park. Several existing railroad locations outside of the Metro area were evaluated as a possible site for the new rail yard. These sites were ruled out because suitable connections could not be made with the existing rail system, which would enable connection with the refinery on a consistent and timely basis. These remote locations also presented the problem of security of the storage areas and limited security personnel oversight. Consideration was also given that local emergency response agencies in the rural areas were ill-equipped and Marathon's response time would be significant due to the distance from the refinery. The feasibility study then focused on two areas: the Pig's Eye Dump property owned by CPR and undeveloped wooded land the refinery owns on the northwest perimeter of the refinery. The wooded land on the refinery property was ruled out as a viable alternative because the property would only be capable of providing one third of the needed storage space. This property would likely need to be rezoned as it adjoins residential properties. Marathon then chose the Pig's Eye Dump location as the best location for the proposed rail yard in that it was of sufficient size, enabled a railroad connection, and was already in an industrial area with similar land uses.

Proposed Site Background:

Currently the land use of the proposed project area is vacant land that was recently remediated and is owned by CPR. Two wetlands exist on the property. Wetland A is a 6.05 acre wetland classified as a freshwater emergent wetland located along the northeastern portion of the proposed rail yard. This wetland currently receives stormwater runoff from the existing rail yard to the north, parking lots to the north and west, and the environmental berm and vacant covered dump area from the south. Approximately 0.79 acres of wetland A will be filled to allow for the proposed rail yard Wetland B is a 0.29 acre incidental wetland that has been classified as a man made stormwater management basin/drainage ditch which is located in the northwestern portion of the project area. Approximately 0.06 acres of this wetland will be filled to allow for the proposed rail yard. The project area is bounded on the north and east by the CPR St. Paul Rail Yard; on the west by Pig's Eye Lake Road and then a Union Pacific Railroad rail yard; on the south by an engineered berm, and then by the portion of Pig's Eye Dump owned by the City of St. Paul. The surrounding area is primarily industrial and is used for rail and barge transportation activities. The City of St. Paul operates a demolition dump that includes a compost site on a portion of the former Pig's Eye Dump. The Metropolitan Wastewater Treatment Facility owned and operated by Metropolitan Council is located to the southwest of the site.

The rail yard will be constructed over two Minnesota Pollution Control Agency (MPCA) Voluntary Investigation and Cleanup (VIC) sites (VIC sites VP7530 and VP7531). These two VIC sites are located on the northern portion of the former non-hazardous waste Pig's Eye Dump which was operated by the City of St. Paul. The Pig's Eye Dump is included on Minnesota's Permanent List of Priorities. CPR excavated and relocated portions of the former dump material to construct a berm located along the southern boundary of the CPR property. Other dump material was excavated and transported for appropriate disposal off-site. These remediation activities stopped short of the existing wetland areas and a 50 foot undisturbed buffer space was maintained. Following excavation, a geotextile fabric and then six inches of sand were placed over the residual dump material over the majority of the project area. In 2005 and 2006, clean fill material originating mostly from City of St. Paul street improvement projects was backfilled over the geotextile fabric and sand layer to result in a surface elevation of approximately 701 feet. These excavation and filling activities are components of the response actions approved by the MPCA. Groundwater monitoring activities conducted by CPR are part of the approved response action plan.

The excavation, backfilling and ongoing groundwater monitoring response actions have been documented in several reports prepared by CPR and submitted to the MPCA. In a letter dated April 4, 2008 from MPCA to CPR, the MPCA concurred that the remediation activities conducted to date at the VIC sites had been completed with MPCA oversight and were in compliance with the site's approved remedial action plans and that no further excavations or other remedial activities will be requested or required by MPCA.

A portion of the site grading and excavation activities for the rail yard will require removal of dump material still present at the site to install the new firewater line and the establishment of the southern drainage swale. Newly excavated dump material will be disposed properly per the approval of MPCA.

In new excavations which expose residual dump material, at least one foot of clean soil and geotextile fabric material will be placed to isolate that dump material from the ground surface. A preliminary design has been discussed with the MPCA VIC staff. Further collaboration will occur with MPCA VIC staff to finalize the design.

A Supplemental Response Action Plan (Supplemental RAP) will be prepared by Marathon for the site to outline requirements for excavating residual dump material. The Supplemental RAP will be prepared in accordance with applicable MPCA VIC Program guidance documents. The Supplemental RAP is considered a supplement to the RAP which was prepared for the site in 1999, and subsequently approved by the MPCA. The Supplemental RAP will contain a summary of existing site conditions and previous assessment/remediation activities, a summary of RAP implementation requirements, a summary of regulatory requirements, a description of remedial action scope of work, an Emissions Control Plan, a Materials Management and Sampling Plan, and a Site Security Plan. The Supplemental RAP will be submitted to the MPCA for review and approval.

Article IV. 68.400 River Corridor Standards and Criteria Review:

Sec. 68.402. Protection of shorelands, floodplains, wetlands, and bluffs

1. ***(2) No commercial or industrial development shall be permitted on slopes greater than 12%.*** The proposed development of the yard will involve filling activities and impact to 0.85 acres of wetlands. A wetlands application has been previous submitted to the City of St. Paul whom has jurisdiction. The area of the site that has been remediated is basically level at a 701' MSL elevation. The entire site, in general, is level other than for fill slopes into the existing wetland areas which exceed 12%. Please refer to the attached drawing "Slope Analysis" in section 4 of the application which illustrates both the preconstruction and post construction grade conditions.
2. ***(5) Transportation, utility, and other transmission service facilities and corridors shall avoid:***

E. Wetlands: As previous mentioned, the project impacts .85 acres of wetlands. Several options were considered to minimize this impact. First, it has been determined that construction of a trestle over the Wetland A would still impact the wetlands due to the size of the structural trestle members and foundations. Thus, the proposed design did nothing to limit the impact. Also, CP Rail had serious safety concerns of their switch crew personnel having to access the site over the trestle. Secondly, it was evaluated to only cross the Wetland A with a single mainline track and then flaring out to the other 7 track spurs. Due to the inherent geometry configuration of rail track construction this option would

reduce the (170) car area to (134) rail cars. The .79 acre of Wetland A impact would be only reduced to .58 acre with a rail car capacity reduction of 21% which will not meet Marathon's need given the defined area of the site that CP Rail is allowing MPC to develop. Please reference the "Plan and Profile" drawing in section 5 of the application which depicts this alternate design review.

G. & H. Erosion concerns: Regarding soil erosion and unstable soils, MPC has submitted the necessary Stormwater permit applications to the Ramsey Washington Metro Watershed District. All technical requirements necessary for the Watershed's approval have been met. However that permit cannot be issued until the wetlands permit application has been approved by the City of St. Paul. One requirement of the Watershed is that all disturbed areas need to be restored to minimize sediment runoff. The proposed design has two drainage swales that are designed to effectively manage stormwater and not allow erosion of sediment off-site. Currently the remediated site has minimal vegetation re-established and no stormwater controls. The proposed development will improve the current site stormwater quality due to the added stormwater infrastructure and vegetation. The disturbed areas, within the ditches adjacent to the yard, will be revegetated with Mn/DOT Seed Mixture 250. Mixture 250 is a low maintenance and non-native seed used for general turf establishment, which is appropriate for this project. Native seed was not selected due to future maintenance concerns, such as weed control and burning for regeneration. Please refer to the drawings which illustrate the "Turf Establishment/Erosion Control" in section 4 of the application. At this time, Marathon has received the NPDES/SDS General Stormwater Permit for Construction Activity. A copy of that approval has been included.

I. Water table: The mean water table of the proposed site is at 690' MSL or roughly 10' below existing grade per historical geotechnical reports furnished by CP Rail.

1. (7) Exceptions:

C. Grading and filling:

(1). The proposed grading plans have two areas of consideration. The first is that track yards should be fairly level and have less than 2% profile slope per Canadian Pacific Railway specifications. MPC proposed a design that has the area project being sloped at approximately 0.26% (maximum slope) from west to east. This slope is based on the need for the stormwater drainage swales and controls. The second criteria is the requirement by Ramsey Washington Metro Watershed District that the new development will not increase any fill in the 100 year flood plain. This site is located within the flood fringe. This requirement will require Marathon to remove enough clean fill from the site to offset the volume of the rail track ballast rock, ties, and steel rails. As mentioned before, the stormwater permit from the Watershed has been approved but final issuance cannot happen until the wetlands permit by the City is approved. Cut and Fill soil calculations and stormwater calculations are included in section 4 of the application.

(2). During construction, necessary erosion and sediment control measures will be used per requirements of the NPDES Construction Permit. Dust control would be maintained as needed throughout the construction phase with the use of water or calcium chloride dust suppressants.

(3). All imported track bed rock ballast and class 5 aggregate base will be free of chemical pollutants.

(4). Due to the Watershed's requirement to have a net zero increase to the flood plain, the flood storage capacity of the remaining wetlands will not be impacted. A culvert will be installed under the track bed in the wetlands area to allow natural water levels to remain unchanged.

(5). The existing dump material that still remains under the site from a 697' MSL elevation and below will be encountered to establish the south drainage swale as well as the installation of the new fire water line which will be installed 7' below grade. MPC would propose to extend the existing waste disposal berm (area located south of proposed track area) that was established during earlier remediation work conducted by the City of St. Paul and CP Rail. The existing waste berm would be constructed to meet all MPCA criteria of the original berm. This on-site disposal method will only be possible if MPC can maintain a net zero increase fill to the flood plain. Marathon would also submit an application to MPCA for approval if the flood plain cut/fill balancing can be achieved. If on-site disposal is not possible with flood plain balancing, the estimated 7,000 cubic yards of impacted material would be disposed of at a certified landfill. Current on-site clean fill excess will be used to replace these impacted soils and thus imported fill will not be needed.

(6). As mentioned earlier, the existing site was not seeded after the clean fill was placed by the City of St. Paul in 2006. Very little vegetation is currently in place. The proposed project will restore perimeter area with seeding per the "Turf Establishment/erosion Control" drawings. The project will require a minimal amount of scrub trees to be removed that are within the footprint of the construction area.

(7). The proposed grading has the track yard area at approximately a 0.035% slope. However, the side slopes of the drainage swales and the shoulders of the track bed area in the wetlands area exceed a maximum allowable 18% grade. Please refer to the attached drawing "Slope Analysis" in section 4 of the application which illustrates both the preconstruction and post construction grade conditions. The design provides sufficient sloping with re-established turf to ensure maintainability and erosion protection. MPC will be requesting a variance of this requirement.

(8). This project does not involve any shoreland or wetlands dredging activities.

Sec. 68.40. Protection of wildlife and vegetation

The existing project area consists of pavement, gravel, and unvegetated surfaces that do not provide wildlife habitat. Additionally, there are vegetated areas including mowed grasses and wetlands that provide limited wildlife habitat. There are a few trees located on the eastern edge of the project. The project area is near the Mississippi River, which provides habitat for many species of fish and freshwater mussels, waterfowl (such as geese, ducks, heron, and egrets), raptors (eagles and hawks) and small mammals. There are several areas of grasslands and wetlands located northeast of the project area, north of the railroad and U.S. Highways 10 and 61. These grasslands and wetlands likely provide habitat for species of birds, small mammals and reptiles. The project will involve construction of eight tracks on a gravel surface area which will require some fill placement in the wetlands. No impacts to the Mississippi River will occur. Several (5-10) smaller trees may need to be removed in the project area, near the eastern end at the edge of Wetland A. None of the larger wetlands or grassland areas located north of the project area will be impacted.

The Natural Heritage and Nongame Research Program (NHNRP) was contacted to determine if any rare species or other significant natural features are known to occur within an approximate one-mile radius of the proposed project. The query of the Minnesota Natural Heritage Information System identified six occurrences within the one-mile radius. The documented occurrences include:

- Bald eagle (*Haliaeetus leucocephalus*, a federally protected, state special concern species),
- Blue sucker (*Cycleptus elongatus*, a state special concern species),
- Kitten-tails (*Besseya bullii*, a state threatened species),
- Southern Dry Gravel Prairie community,
- Native Prairie community (undetermined class).
- Paddlefish (Polyodon spatula, a state threatened species)

The project will not be in the vicinity of the documented native prairie or the southern dry gravel community so these resources will not be affected. No impacts to the bald eagles are expected because the trees that may be removed do not provide suitable nesting habitat. Because any stormwater runoff will be managed before entering the Mississippi River, the fish resources of the Mississippi River will not be affected by the project (e.g. the blue sucker). There are no dry or gravel prairie remnants (kitten-tails habitat) within the project area, and the areas with documented occurrences of this species are located well north (across U.S. Highways 10 and 61) of the construction limits; therefore impacts to the kitten-tails are not expected. None of these habitats will be affected by the project, and therefore no impacts to this species are expected.

Permanent erosion and sediment control best management practices generally include the establishment of permanent vegetation on the areas of the site not being covered by pavement, compacted gravel, or rail ballast. The site design also includes vegetated ditches on both the north and south sides of the rail yard; these are designed to provide stormwater quality treatment and quantity control for the site utilizing ditch blocks with

low flow culverts. The ditches are being designed to meet the permit requirements of the Ramsey-Washington Metro Watershed District (RWMWD). Please reference the "Turf Establishment/Erosion Control" drawings in section 4 of the application.

Sec. 68.404. Protection of water quality

B. (1). Prior to backfilling of the remediated dump material area, CP Rail specified specific soil quality standards that would ensure that the site could be developed and support the necessary loading created by rail car traffic which can be found in section 6 of the application. The City and St. Paul provided geotechnical reports of all imported soils with compaction testing by the third party company to ensure all specifications were met. CP Rail also contracted a geotechnical company to verify the backfilling material quality and compaction. All work met or exceeded CP Rail's requirements. Likewise, all imported soils from the City of St. Paul were screened for contamination per local, state, and federal requires. Geotechnical and soil analytical reports are available upon request.

It is worth mentioning that pre-design discussions with the MPCA determined that the development should effort to minimize water infiltration into the groundwater in the remediated dump area. This was achieved by sloping the site toward the east through two drainage swales. These stormwater controls and proposed design grades ensure that surface stormwater does not collect in wetted ponding areas that would eventually percolate through the still remaining dump material located 4 feet below the existing surface.

MPC proposes to utilize this rail car storage yard for holding rail cars. There will not be any type loading/unloading facility which has a higher probability of a product release. The potential for any product release from the rail cars while setting in the yard is minimal. The City of St. Paul Fire Department has jurisdiction of the emergency response in the event of a product release or fire. MPC and CP Rail have considerable response capabilities not only on a fire response but spill containment/remediation if called upon to provide assistance by the City's fire department. Please refer to the attached Marathon "One Plan" excerpt which outlines our capabilities as a mutual responder if called upon by the City of St. Paul Fire Department in section 7 of the application.

(4). MPC submitted an "Environmental Assessment Worksheet" to the Minnesota Pollution Control Agency to conform to state standards, criteria, rules, and regulation due to the storage of hazardous material. The public comment period finished in November of 2008 with MPC providing addition responses to raised questions. MPC has been told verbally that the "Findings of Fact/Negative Declaration" is in draft and should be issued by early February 2009.

(6). On the south perimeter of the proposed construction development is the engineered berm which has a 25% slope (4:1) with re-established vegetation. The proposed development has the southern drainage swale adjacent to this berm. Sound engineering design has been used to ensure any runoff from the berm will not degrade the vegetated drainage swale.

Article VI. 68.600 Variances

MPC will be applying for the following variances:

1. Modifying existing grade conditions greater than 12%. Sec. 68.402 part 2.
2. Impacting of wetlands per Sec. 68.402 part 5e.
3. Creating grade slopes that exceed 18% per Sec.68.402 part 7.

If you need further information regarding the project, please contact me by email or telephone.

Sincerely,

Greg Schafer
Project Engineer-Marathon Petroleum Company, LLC.